

# USAID/HONDURAS

## ANNUAL REPORT 2002

March 2002

The attached results information is from the FY 2002 Annual Report for the USAID/Honduras Program and was assembled and analyzed by USAID/Honduras.

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1611 N. Kent Regional St., Suite 200  
Arlington, Va. 22209-2111  
Telephone: 704-351-4006 ext. 106  
Fax: 704-351-4049  
Email: [docorder@dec.cdie.org](mailto:docorder@dec.cdie.org)  
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## GLOSSARY

ADRA	Adventist Development and Relief Agency International, Inc.
AIEH	Honduras Evangelic Churches Association
AMHON	Honduran Association of Municipalities
APAN	Friends of Children Program Association
ASHONPLAFA	Honduran Family Planning Association
BCH	Central Bank of Honduras
BEST	Basic Education and Skills Training Project
CCAD	Central American Commission for Environment and Development
CADERH	Advisory Council for Human Resources Development
CAFTA	Central American Free Trade Agreement
CARE	Cooperative for American Relief Everywhere
CBJ	Congressional Budget Justification
CDC	Centers for Disease Control
CETT	Centers of Excellence for Teacher Training
CHS	Child Survival
CHF	Cooperative Housing Foundation
CGR	Comptroller General of the Republic
CIPRODEH	Center for Research and Promotion of Human Rights
COPECO	Permanent Contingency Committee
CPC	Criminal Procedure Code
CRS	Catholic Relief Services
CRWRC	World Relief Committee
CYP	Couple Years of Protection
DA	Development Assistance
DAP	Development Assistance Plan
DCA	Development Credit Authorization
DHS	National Epidemiological and Family Health Survey
DOJ	Department of Justice
DOT	Department of Transportation
DOTS	Directly Observed Treatment – Short Course
DPT	Diphtheria, Polio and Tetanus
EA	Environmental Assessment
EDUCATODOS	Education for All (Distance Learning Program)
EPA	Environmental Protection Agency
ESF	Economic Support Fund
ESNACIFOR	National Forestry School
ETD	Environmental Threshold Decision
EU	European Union
EX-IM BANK	Export Import Bank
EXTENSA	Food Security Extension Project
FACACH	Federación Autónoma de Cooperativas de Ahorro y Crédito de Honduras
FAO	Food and Agriculture Organization of the United Nations
FDP	Forestry Development Project
FEMA	Federal Emergency Management Agency
FEREMA	Maduro Foundation for Education
FFS	Health Promotion Foundation
FHIA	Honduran Agricultural Research Foundation
FHIS	Honduran Social Investment Fund
FIA	Financiera Industrial Agropecuaria
FINACOOOP	Finance Corporation for Agricultural Cooperatives
FINSOL	Financiera Solidaria Sociedad Anonima
FINTRAC/CDA	Fintrac/Agribusiness Development Center
FOPRIDEH	Federación de Organizaciones Privadas de Desarrollo

FSN	Foreign Service National
FTAA	Free Trade Agreement for the Americas
FUNDEMUN	Municipal Development Foundation
FY	Fiscal Year
GAO	General Accounting Office
GCC	Global Climate Change
GDA	Global Development Alliance
GDP	Gross Domestic Product
GIS	Geographic Information System
GOH	Government of Honduras
GTZ	German Development Agency
HEPF	Honduran Environmental Protection Fund
HG	Housing Guarantee
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome
HOGASA	Community Based Health Centers
HUD	Housing and Urban Development
ICASS	International Combined Support Services
ICITAP	International Investigate Training Assistance Program
IDB	Inter-American Development Bank
IEE	Initial Environment Examination
IMF	International Monetary Fund
INFOP	Instituto Nacional de Formación Profesional
IOM	International Organization for Migration
LAC	Latin American and the Caribbean Bureau
LAC/SPO	Latin American and the Caribbean Bureau/Strategy and Program Office
LOP	Life of Project
MOE	Ministry of Education
MOH	Ministry of Health
NGO	Non Governmental Organization
NOAA	National Ocean and Atmosphere Administration
NTAE	Non-traditional Agricultural Exports
NXP	Non-Expendable Property
OAS	Organization of American States
OE	Operating Expense
OFDA	Office of Foreign Disaster Assistance
OPIC	Office of Transition Initiatives
OYB	Operating Year Budget
PADF	PanAmerican Development Foundation
PAHO	Pan American Health Organization
PASA	Participating Agency Service Agreement
PASCA	Central American HIV/AIDS Action Program
PROARCA	Central American Regional Environmental Project
PRODIM	Program for Development of Women and Children
PRSP	Poverty Reduction Strategy Paper
PSI	Population Communication Services
PVO	Private Voluntary Organization
RD	Rural Development
REACT	Reactivation of Economy and Agriculture through Credit and Technology
RIG	Regional Inspector General
RUDO	Regional Urban Development Office
SANAA	National Water and Sanitation Authority
SO	Strategic Objective
TA	Technical Assistance
TAS	Environmental Health Technicians
TB	Tuberculosis

UMA	Municipal Environment Unit
UNAH	National University
UNAT	National Unit for Technical Support
UNDP	United Nations Development Program
UNITEC	Central American Technological University
UNICEF	United Nations Children's Fund
USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture
USDH	United States Direct Hire
USG	United States Government
USGS	United States Geological Survey
Zamorano	Panamerican Agriculture School El Zamorano

## PERFORMANCE NARRATIVE

### Challenges and Opportunities

Honduras, like many Latin American countries, stands at a cross-roads between building on a foundation of freedom, prosperity, and progress or sliding toward unsustainable populist measures that provide short-term relief from the global economic slow-down, but at the expense of long-term growth and prosperity.

Fortunately, Honduras has a new administration under the leadership of Ricardo Maduro, a successful businessman and former President of the Honduran Central Bank. Maduro is committed to reinforcing Honduras' progress toward economic, political, and social reform and was elected primarily on his promises to transform Honduras into a safer and more prosperous country in which to live, work, invest, and visit. His strategy focuses on seven pillars: (1) personal security and secure property rights; (2) democratic reform; (3) equitable economic growth; (4) human resource development; (5) fighting corruption; (6) environmental sustainability; and (7) a just foreign policy.

USAID/Honduras has a long-standing working relationship with Ricardo Maduro, dating back to the early 1990s. During his tenure as President of the Central Bank of Honduras, we jointly developed the Economic Cabinet's Policy Analysis Unit (now UNAT). We also worked very closely with him in 1998 when, after the assassination of his son, he created a private foundation (FEREMA) to improve the quality of education in Honduras. Maduro has given strong indications that he will be looking to USAID for extensive support in all of these key areas. Immediate Maduro administration priorities, as articulated in initial meetings with key ministers, are the justice sector, education and health.

Maduro's administration will greatly benefit from the tremendous influx of development assistance that followed Hurricane Mitch. Honduras also has the opportunity to receive significant debt relief under the Highly Indebted Poor Countries (HIPC) program. As part of this process, Honduras is implementing its Poverty Reduction Strategy (PRS), which provides elements of an action plan for both the GOH and the donor community to address poverty in Honduras. USAID is an active participant in the G-15 donor working group that worked with the GOH to develop the PRS. The PRS identifies the types and amounts of investments by the GOH and the donor community required to transform Honduras and increase per capita economic growth. It establishes a basic framework upon which the new USAID strategy will be developed.

Maduro has his work cut out for him. Approximately two-thirds of Honduran households still live in poverty. Economic growth over the last decade only slightly exceeded population growth and had little effect on poverty reduction. Along with the rest of Central America, Honduras is suffering from a long-term agricultural crisis. Coffee prices are now so low that over 40 percent of coffee growers are choosing not to harvest this year. Approximately 100,000 small farmers and another 100,000 seasonal pickers are at risk, many of whom were also affected by this past summer's drought. Retail sales in rural communities are down by an estimated 40 – 60 percent. Rural families are growing increasingly dependent on remittances (estimated at US\$ 650 million annually). The apparel-manufacturing sector, hit by an economic slowdown in the U.S., has not provided a viable alternative. Employment in the sector, rather than doubling as expected, declined 8.4% in 2001. Efforts to attract sizable new investment in manufacturing and assembly are undermined by infrastructure problems (particularly telecom and electricity), bureaucratic obstacles, and the legal system.

Systemic poor quality and limited access at the secondary grade level, especially in rural areas, affects productive employment, income, and full participation in economic processes. The health systems in Honduras remain weak, with centralized decision making and ineffective management incapable of dealing with serious challenges, including rapid population growth, malnutrition, substantial neonatal and child mortality, and high rates of HIV/AIDS, malaria, dengue, and tuberculosis.

Fueled by economic problems, crime is on the rise and the dramatically deteriorating security situation is another serious disincentive to investment. Within the last five years, Honduras has experienced an

alarming expansion of well-organized and well-financed criminal gangs, not only in major cities but throughout smaller towns and villages where citizens no longer feel safe leaving their homes after dark. Maduro's tough "zero tolerance" stance on crime played a key role in his election victory last November; voters sensed that he empathized with their problems because his own son was killed by kidnappers in 1996. In a 2001 poll, 36% of Hondurans nationwide reported that they, or a family member, had been victims of a crime within the last 12 months. In its first month in office, the Maduro administration made significant progress in reducing crime, but it remains to be seen if these gains are sustainable.

Respect for rule of law and a well-functioning justice system, while essential for democratic governance and economic development, are still far from the reach of Honduran society. Hondurans do not have a justice system that resolves conflicts in accordance with clearly established and respected legal norms. The influence of special interests represents a direct challenge to the application of the rule of law and is eroding the public's confidence in the democratic system and equal protection under the law. Indeed, the current system is arbitrary and allows for the abuse of power by government, the elite, privileged groups, and well-financed criminals. The property rights system, for example, fails to provide security for investors who may find that their land titles are easily disputed or invalidated. Citizens and investors cannot count on receiving a fair hearing in court and are subject to a legal system that often does not respect its own laws.

Combined, these daunting and persistent development challenges have contributed to the growing disappointment felt by many Hondurans that democracy has failed to deliver on economic and social expectations. If the United States underestimates or neglects the importance of Honduras and other Central American countries, we risk reversals that would redound against our interests. The threats of collapsing democracies, economic deterioration, lost trade and U.S. jobs, increased human misery and poverty, and burgeoning illegal immigration across borders are all too real.

USAID has an excellent opportunity to take maximum advantage of the opening provided by the election of the Maduro administration. However, we must move quickly before it loses the momentum with which it has entered office. Therefore, while we are in the process of developing a new strategy for FY 2004 through FY 2008, we will begin to shift our strategic focus now to reflect the program parameters established in our concept paper to be submitted to Washington in April of this year.

## **PROGRAM PERFORMANCE**

### **522-001: Economic Reactivation Meeting The Needs Of The Poor**

Activities under this SO met with mixed results in the economic policy area but had outstanding success in improving productivity and income of thousands of farmers and businesses. SO1 activities were focused in the following areas: (i) economic policy analysis and advocacy to support reforms that will foster business development, enhance trade and investment, and reduce poverty; (ii) technical assistance in production, quality control, and marketing of high value products, including specialty coffee, non-traditional agricultural exports, and milk and milk products; and (iii) technical assistance to microfinance institutions and chambers of commerce, and business development services to small and micro enterprises in secondary cities. Despite some success at the activity level, several macroeconomic goals were not met primarily because of exogenous factors beyond the control of USAID.

#### **Achievements in 2001**

Despite political pressure in an election year to increase the public deficit and protection levels for local firms, USAID policy dialogue with the GOH helped maintain an outward-oriented free market policy environment. The central government budget deficit was 7.3% of GDP and the inflation rate was 8.8% in 2001. Unfortunately, a primary SO1 target of increasing private real investment by 5% in 2001 was not met. According to Central Bank statistics, it actually fell by 9.1%. This reduction reflects a decrease in agricultural real GDP of 0.1%.



Nevertheless, the SO1 policy effort contributed to the decrease in the real rate of interest, the approval of the country's Poverty Reduction Strategy Paper (PRSP) in October, and the economic program of the new government. USAID facilitated active policy dialogue between the GOH and civil society throughout the year to focus attention on attracting new private investment and increasing Honduras's global competitiveness to engender broad-based economic growth. These activities also resulted in the improvement of the Central Bank's national accounts and Consumer Price Index, and to the development of the government's new National Statistics Institute.

In spite of the fact that agricultural real GDP fell by 0.1% in 2001, primarily because of low commodity prices, we had important successes in helping to diversify the economy through the promotion of non-traditional agricultural exports (NTAE). The agricultural sector suffered historically low world prices for coffee (the value of coffee exports fell by 53%), bananas, palm oil and shrimp. Diseases devastated melon crops; leaving previously profitable agribusiness's bankrupt. A drought and Tropical Storm Michelle exacerbated the agricultural crises, while farmers' exceedingly high debt burden and the lost orders because of the U.S. recession left many insolvent. Nevertheless, the Fintrac/CDA program (started under the Hurricane Reconstruction Program and now being continued with Development Assistance funds) provided technical assistance in non-traditional farming to more than 2,300 producers. During the two-year period since its inception (1999-2001) employment generated by these activities increased by 35%, individual income increased by up to 450%, and exports increased by 74%, significantly exceeding the project's employment, income and export targets for participants of 10%, 50% and 20%, respectively. This effort helped small farmers gain access to local and export markets, new lines of long-term credit, and improved technologies. The technical assistance given by Land O' Lakes to the Honduran dairy sector has improved the quality and quantity of milk and the sale of milk products. Farmers participating in the milk collection centers have increased their milk production by 35%, and the price premium paid for the milk due to improved quality ranges between 80-90%. Therefore, producer's incomes have increased on average 72% (US\$ 5,006 per producer per year, for total incremental incomes of US\$1.1 million per month). Consumption of dairy products by domestic consumers has increased 8.3%. Commercial exports of local Honduran cheese to the United States are expected to begin in 2002. Finally, both Fintrac/CDA and Land O'Lakes activities leveraged a combined \$5.8 million through Global Development Alliance (GDA)-type activities in commercial ventures with private for-profit companies that contributed business capital and expertise to enhance the global competitiveness of the producers.

At the end of 2001, USAID-supported microfinance institutions reported 100,693 active clients (79% women) with an outstanding portfolio balance of \$31.9 million. We met our target to provide financial services to 39% of all small and micro-enterprises. Unfortunately, we missed our delinquency rate target of 7%; actual delinquency was reported to be 8.1%. USAID provided technical assistance to microfinance institutions to improve their loan approval and collection procedures. USAID also provided technical assistance in credit management, internal control, organization strategy, and human resource training principally to five microfinance institutions.

USAID also provided business development services to women's groups in three secondary cities that increased their incomes and provided alternative income generation through the develop of decorative accessories and handicrafts for export to major U.S. department stores.

Finally, we helped 12,300 farmers obtain land titles through the land-titling program that was implemented by the National Agrarian Institute and supported by USAID. These titles facilitate borrowing from agricultural financing institutions.

## **522-002: Improved Management of Watersheds, Forests, and Protected Areas**

Overall, this SO met planned targets this year. The decentralized approach of working with local NGOs in management of protected areas and supporting municipal governments and communities in watershed management permitted the SO to improve the country's capacity in natural resources management. Benefits were provided to the rural population located in resource scarce regions of Honduras, where poverty indicators are the highest. The most important challenge in working with local organizations, communities and municipalities that draw from these beneficiary populations is the low level of technical

and administrative skills. This challenge is being met by intensive training imparted by Fundación VIDA and the National Forestry School. As a result of the improved management of specific watershed and protected areas, the rural poor in these areas are improving soil conditions and water resource management, which, in turn, will result in improved small farm productivity, better access to clean water, increased nutrition, and improved health.

### **Achievements in 2001**

Over 201,000 hectares in 24 protected areas are now under improved management programs. The key players in this achievement have been the 15 NGOs working under sub-grants financed by the Mission through an environmental NGO partner, Fundación VIDA. During 2001, VIDA awarded 25 sub-grants, 9 to NGOs and 16 to community organizations, in VIDA's three programmatic areas of protected areas, watershed management and environmental education.

Fundación VIDA continued to stand out in the environmental forum of Honduras during the rating period. VIDA was awarded first prize in the Honduran Environmental Conservation and Protection Contest. VIDA also signed an agreement with the GOH Ministry of Natural Resources and Environment to administer funds for environmental activities from the Central American Commission for Environment and Development (CCAD), which is the first such agreement with the GOH. VIDA officially approved new statutes and established work committees to carry out important tasks such as fund raising and proposal review. VIDA is on the verge of a new agreement with the EU for municipal environment programs and extension of the Canadian Government's institutional strengthening project. VIDA has established an environmental endowment fund as part of its on-going efforts to enhance its financial viability and long-term sustainability.

Through the Forestry Development Project (FDP), training and technical assistance was provided to authorities of 41 municipalities and leaders of 96 communities. Twenty-seven Municipal Environmental Units have improved their natural resources management, 14 of which initiated water quality monitoring programs. These municipalities are being provided the necessary training and equipment to be able to continue this activity beyond the life of the project.

The FDP reforested 334 hectares of the pine forest on the island of Guanaja that were destroyed by Hurricane Mitch. The FDP is now the leading organization in protecting the island's 1,400 hectares of pine forest and in providing support to the islands' Municipal Environmental Unit. Through the project's other major field activity, a watershed management program is being implemented to protect the main source of surface water for the city of Siguatepeque, the Rio Calan microwatershed. The FDP also provided the municipalities of Guanaja and Siguatepeque with detailed management and investment programs that are being used to obtain future financing from IDB and other donors to support activities beyond the life of USAID's program.

USAID has begun the process of shifting its environmental focus from upper watershed management and protected areas management to concentrate on the integrated management and utilization of water resources. An initial design was undertaken that looked at the cross-cutting nature of water management and its impact on a variety of sectors that have direct links to sustainable economic growth, such as health, municipal governance, agriculture, forestry, and disaster mitigation. A new bilateral agreement to support this initiative was signed by the GOH and more detailed analysis and design work is currently underway.

### **522-003: Sustainable Improvements in Family Health**

The SO achieved better than expected results. Data for key annual indicators, coupled with the findings of the 2001 National Epidemiological and Family Health Survey (DHS), confirm a high achievement level of planned targets, but also show dramatic impact attained over the past five years, in many cases directly related to USAID program contributions. Marginalized Hondurans, especially poor mothers and children, and people living with or at risk of HIV/AIDS are the key beneficiaries of the majority of SO program activities. These activities increase reproductive health/family planning through both public and private sector agencies; improve maternal and child health; prevent the spread of HIV/AIDS through both public

and private sector agencies; improve and expand infectious disease prevention and control, focusing on malaria, dengue and tuberculosis; support health reform initiatives that improve delivery of services; and increase household food security; and all are strengthened by a cross-cutting health reform initiative.

Some of the key challenges faced were: the general distraction of our Honduran government partners with the election campaign and the change of government, which slowed planning and implementation, and resistance to AIDS communication and condom promotion campaigns by some conservative groups. We also decided to change our AIDS umbrella agency and had to accept a short program hiatus during the procurement process. Despite these challenges, we have been able to maintain program momentum with solid results.

### **Achievements in 2001**

FY 2001 was another year of exceptional performance, following the outstanding results in FY 2000. Under its new USAID cooperative agreement, the Honduran Family Planning Association expanded its national clinic and community services to 12 new areas, focussing on expanded service to rural clients and strengthened contraceptive social marketing and sustainability efforts to reach 30% of family planning users nationwide. Complementing the private sector effort, the Ministry of Health, with USAID technical and financial support, became the largest family planning provider, through greatly expanded family planning services, a new quality sterilization training center and broadening the availability of effective spacing contraceptives, especially Depo-Provera.

Family planning couple years of protection achieved in 2001 were 29% over the planned level, and were 4% higher than the outstanding result attained in 2000. The new national health survey data from the 2001 (NEHFS) – the completion of which was another major achievement in itself— show that modern contraceptive prevalence increased 10 points, from 40% to 50%, in the past five years (an increment of this magnitude is rarely seen in a five year period), with a better-than-expected increase in rural prevalence. The impact is also clear: total fertility declined from 4.9 in 1996 to 4.4 in 2001. As the only major donor in family planning, USAID can directly link its support of public and private providers to these achievements. USAID's role in introducing injectable Depo-Provera, use of which swelled from less than 1% to almost 10% of all users, was a critical factor in increased contraceptive prevalence.

With USAID assistance, the Ministry of Health initiated an intensified program to expand services in three regions (covering over 20% of the population) selected for their high poverty and health needs. A new, decentralized, results-based planning approach was utilized to assure coverage with a basic package of maternal and child health and family planning services. USAID helped expand the PHR team from one to four to strengthen the Mission's health reform /decentralization effort and assure coordination of all Health Pillar technical support. In response to these efforts, the percentage of births attended by trained providers in health institutions increased from 54% to 62% in 2001 and the percentage of pregnant women who had at least two prenatal visits increased from 74% in 1996 to 83% in 2001.

USAID and CARE implemented a new 5-year DAP in October, 2001, which focused Title II Food Security Program in the region of highest malnutrition and poverty, the same areas where USAID's health program is centered. A final evaluation of the previous DAP showed marked impact in the CARE-managed areas. First-year results under the new CARE team have exceeded planned targets in each of the program's three components.

Overall health program indicators include: malnutrition levels in children under age five, first measured in the 2001 (NEHFS), declined from almost 39% in 1996 to 32% in 2001, despite damage and dislocation following Hurricane Mitch and the serious drought in 2001. The evaluation of the CARE Title II food program showed a similar 17% decline in malnutrition in their intervention areas. Immunization coverage levels for children remained above 85%, for children under age two. Use of oral rehydration for children with diarrhea remained at about 30% between 1996 and 2001. Fifteen percent of women and 30% of children under age five had iron deficiency anemia, also first measured in 2001, which suggests the need for further interventions.

USAID's umbrella NGO agency extended its sub-grantee network to 15 Honduran NGOs, with a new focus on the Afro-Honduran *Garifuna* community, the group most affected by HIV/AIDS. The new PASMO condom social marketing program gained momentum its first year, not only expanding its own sales, but also helping precipitate growth of the whole condom market. Condom sales under new and existing USAID-supported social marketing programs almost doubled, accounting for almost 30% of sales. Overall, commercial sales increased an estimated 30%. With technical support from Population Communication Services (PSI), a Health Pillar cooperating agency, USAID organized the first phase of a national AIDS communication strategy, following an innovative planning process involving all key private and public sector stakeholders. In addition, with the important collaboration of *Programa Acción SIDA de Centro America* (PASCA) and the USAID-supported People Living with AIDS Association, the National Congress approved initial funding for retroviral drug purchases by the government. An additional 150 environmental health technicians were trained with USAID's support to further strengthen community level case detection and control of infectious diseases. The Directly Observable Treatment - Short Course (DOTS) approach to TB treatment was established in all health regions. During 2001, 95% of the health facilities were fully implementing the DOTS strategy and the cure rate for the latest cohort was 85.4% (target: 85%). Finally, the Mitch health reconstruction program ended in 2001, with excellent results—particularly the restoration of water supply and sanitation to above pre-Mitch levels (see Mitch Report Annex).

#### **522-004: Strengthened Rule of Law and Respect for Human Rights**

USAID's judicial reform program attempts to promote respect for rule of law and a well functioning justice system as essential for democratic governance and economic development. USAID exceeded the planned targets for this SO through the successful transitional progress toward implementation of the newly introduced Criminal Procedures Code (CPC). USAID support was critical to sustaining the CPC, which ushered in a revolutionary new criminal justice system in Honduras. USAID will seek to foster commitment and support for the full implementation of the CPC from the new Honduran government that took office in January 2002 and from the population at-large. Pursuant to passage and ratification of a constitutional amendment for an independent judiciary and the subsequent passage of related secondary legislation, USAID is working toward continued justice sector reform.

A key challenge during this year was resistance from one or more sectors, mainly political and economic, to justice-sector structural changes. This was especially the case once Honduras depoliticized the Supreme Court (through a constitutional amendment) and formally adopted an oral adversarial criminal justice system. While judicial reform was not a key aspect of the national debate nor was it a priority of political parties, it has moved to the fore of the Maduro administration's policy agenda.

#### **Achievements in 2001**

USAID worked to ensure that anticorruption mechanisms were built into multiple layers of Honduras' reconstruction agenda. USAID joined with other donors to establish an independent donor oversight mechanism (*Inspectoria de Proyectos*). The creation of an Inspectoria, along with other donors, will oversee operation of line ministries and independent GOH agencies. USAID also helped strengthen the capacity of the Honduran Comptroller General of the Republic (CGR) and promoted enhanced awareness of the importance of audits in general. The CGR has published audits reports now readily available on the CGR's newly created web site. Our extensive work with the government control entities has been further enhanced by effective public information campaigns and programs which have increased citizen awareness of the importance of vigilance in the Honduran government's administration of public resources, knowledge about what kinds of problems to look for, and clear instructions regarding what to do if corruption is identified. In this respect we have begun work with the NGO *Centro de Investigación y Promoción de los Derechos Humanos* (CIPRODEH) on an anticorruption campaign whose objectives include the promotion of a democratic culture of citizens participation in public matter as part of the process of democratization and good governance.

The USAID-supported inter-institutional Commission for CPC implementation spearheaded the preparatory process by producing training manuals for all institutions, reengineering designs, promoting

policy decisions to fill legal voids in the CPC, establishing regional inter-institutional implementing units and teams, and providing intensive training programs for all organizations. The program provided support to strengthen courts' abilities to monitor judicial performance and combat malfeasance through the full implementation of an automated criminal case tracking system in three target criminal courts and the purging of approximately 30,000 of the 125,000 pending cases. Transparency of the justice system has also increased through the implementation of a Citizen Information Center, which allows individuals to access information on the status of criminal cases.

USAID funded a comprehensive inter-institutional transition plan or road map toward CPC implementation. Despite budgetary constraints that have impeded an aggressive implementation of the CPC road map, the three main justice sector institutions (Judicial Branch, the Public Ministry and the Ministry of Security) were reasonably prepared to implement the new Code on February 20, 2002.

USAID continued providing technical and financial support to the Public Ministry (Attorney General's Office), including a long-term advisor under a Department of Justice-USAID inter-agency agreement. This support, totaling about \$900,000, enabled the Public Ministry to continue its strong role in the CPC transition and on the inter-institutional commission. Despite limited budgetary resources, the Public Ministry was able to move forward with the most critical aspects in the implementation of the CPC transition plan, particularly in using the new plea bargaining-type mechanism in 364 cases to reduce the backlog of criminal cases and obtaining nearly \$93,400 dollars worth of compensation for victims of felonies and other less serious crimes. In addition, all prosecutors nationwide received intensive, practical training in oral advocacy skills through the DOJ advisor. Moreover, DOJ assistance helped identify a number of important reforms needed in the CPC legislation and DOJ developed a proposal of specific legislative changes that USAID and the Embassy are now supporting.

The USAID-supported Coalition for Justice again proved to be an effective watchdog for ratification of the constitutional amendment for an independent judiciary and its secondary legislation. The Coalition, comprised of five inter-sectoral organizations, was key in obtaining congressional ratification of the amendment. Local organizations have been closely monitoring the crucial nomination process for court magistrates. The coalition also pushed strongly for key CPC-related issues, including the need for the Honduran government to make the necessary funding available.

Lastly, USAID funded an international observation team to monitor the Honduran general elections. The team worked in close conjunction with the Embassy election observers to provide extensive coverage of Honduras, thereby ensuring more open, transparent, fair and accurate elections.

#### **522-006: Improved Opportunity to Obtain Basic Education and Vocational Skills**

This SO met or exceeded its planned CY 2001 targets, with the exception of the vocational training activity. During CY 2001, USAID-supported programs provided basic education and vocational skills training to out-of-school youth and adults, thus improving Honduras' ability to compete in an increasingly global marketplace. USAID provided support to the Ministry of Education in designing a strategy for education reform, as well as for pilot projects to reduce failure and repetition in the first three grades of primary school by introducing innovative reforms in the areas of teacher training, teaching materials, and increased parental involvement in their children's education. In addition, the newly elected President of Honduras, Ricardo Maduro, encouraged President Bush to locate one of the three regional "Centers of Excellence for Teacher Training" (CETT) for Latin America in Honduras. The model currently under consideration for CETT is a consortium of institutions throughout Central America, with the Honduran National Pedagogical University possibly playing a coordinating role. The Central American CETT will provide innovative leadership to strengthen reading instruction and increase the reading skills of primary school students through the upgrading of reading instruction skills of early primary grade (1-3) teachers.

Improved access to quality basic education and vocational skills supports all USAID objectives in Honduras, including economic reactivation and poverty reduction, improved management of the environment and natural resources, improved health and family planning practices, strengthened rule of

law and respect for human rights, and more effective participation by citizens in decision-making and local governance.

### **Achievements in 2001**

The EDUCATODOS (Education for All) program and other alternative basic education delivery systems provide access to quality basic education for youth and adults who either did not have an opportunity to attend primary or middle school or who dropped out before graduating. Studies have shown that the monthly incomes of EDUCATODOS students increase by approximately 11% for every additional year of schooling completed. In CY 2001, the percentage of enrolled students successfully passing their grade levels through the EDUCATODOS radio-based program increased to 70.8%, exceeding the target 68%. The total number of grade levels passed by students in alternative basic education delivery systems increased from 72,916 in CY 2000 to 77,618 in CY 2001, exceeding the target of 75,000.

The beneficiaries of the vocational training program are primarily youth and young adults who gain skills that qualify them for higher paying jobs. Vocational training participants also have the opportunity to complete the EDUCATODOS grade 7-9 program, which further improves their employment prospects.

In CY 2001, the number of graduates from PVO and municipal training centers employed each year increased from 1,043 in CY 2000 to 1,236, falling short of the target of 1,500 graduates employed (82% of target). During the period, the Advisory Council for Human Resource Development (CADERH) vocational training network experienced significant financial difficulties due to an unexpected shortfall in the amount of funding from the GOH's National Institute for Professional Development, which in turn negatively affected achievement of the CY 2001 target for graduates employed. USAID and CADERH are working closely with the new GOH administration to reform the vocational education system and assure increased funding levels for the CADERH centers. However, given that the network will grow to 32 centers in early CY 2002, it is expected that the number of graduates employed will increase significantly within two years as graduates from the new centers complete their programs and enter the labor force.

In CY 2001, USAID provided support for the Save the First Cycle and Let's Learn Math programs, which are designed to reduce failure and repetition rates in the first three grades of primary school by improving teacher performance through the use of more student-centered teaching approaches and diagnostic progress testing to identify children who need additional help, as well as by fostering greater involvement of parents in their children's education through greater parent-teacher communication and sharing of information on students' performance. The goals of the Save the First Cycle program are to increase student achievement by at least 10% and reduce repetition by 50% in grades 1-3 within two years. In the first partial year of the pilot activity, student achievement increased by an average of 12% and repetition was reduced by an average 25%. Since these improvements were achieved in just over three months of operation, USAID expects the program to reach the goal of 50% reduction in grade repetition in CY 2002.

The Ricardo Ernesto Maduro Andreu Education Foundation (FEREMA) implements the USAID-financed Let's Learn Math interactive radio math program. The goals of this program, focussed on grades 1-3, are to increase academic achievement in math by 8% and to achieve 70% participation of all students in the program. At the end of CY 2001, the program completed the pilot for the third grade and was expanding coverage for the first and second grades. Although still in the pilot stage, the Let's Learn Math program is already showing promising results. For example, test results increased an average of approximately 4% across the three grades and coverage was expanded to 17 Departments, reaching over 69% of students enrolled in grades 1-3. In addition to the achievements listed above, FEREMA, EDUCATODOS, and the vocational education programs have all developed strong GDA-type public, private, NGO, and faith-based organization alliances (total amount leveraged: \$5,132,000) as well as volunteer support valued at \$709,202. It is noteworthy that many of the foundations established to support, for example vocational centers, are actually coalitions from among these four groups.

### **522-007: More Responsive and Effective Municipal Government**

This strategic objective exceeded expectations. The targets established for improving municipalities' capacity to govern were exceeded. USAID supported the Honduran Municipal Association in policy dialog with the central government and Congress and through the Foundation for Municipal Government two important election year activities were implemented. However, due to the dynamics of an election year when public participation is more partisan and the opposition's constituency tends to be less responsive to public meetings, the program did not reach its intended targets in attendance at open town meetings.

The main challenge facing the responsiveness and effectiveness of municipal governments this year dealt with the partisan positioning associated with local elections. In Honduras, the most noticeable impacts included mayoral decisions or priorities that were less responsive to local needs; and more confrontational city councils that invariably detracted from the effectiveness of municipal government. In terms of the challenges facing decentralization in Honduras, the disparity between available financial resources at the local level and the proportion of responsibilities assumed by local governments continued to be a limiting factor.

### **Achievements in 2001**

USAID improved municipal financial administration and accounting systems, human resources management systems, environmental units, public works operations, and other areas of municipal governance by providing technical assistance and training. As a result, the average income of municipalities in FY01 increased by 11.9% over FY00 income (exceeding the expected target by 6.9%). Similarly, the average percentage of dwellings receiving basic services (water provision, and sewage and refuse collection) reached 36%, another significant increase over FY00 and 4% beyond the expected target.

USAID municipal development initiatives contributed to grassroots, community development, while benefiting from synergies with reconstruction activities. For example, nine new communities displaced by Hurricane Mitch were provided technical assistance to form local development councils to manage community issues related to basic services and other needs. As a complement to the active pace of reconstruction experienced over the past year, USAID-supported technical assistance helped 28 local governments formulate, with citizen participation, ten-year urban development strategies. Similarly, in order to contribute to the sustainable operation and maintenance of water and sanitation investments, 31 user fee studies were completed.

This year, the Mission successfully applied for Development Credit Authority funds which will leverage five million dollars in commercial loans to municipalities. This new activity increases private funds available to qualifying municipalities for infrastructure investments. This year's municipal government activities leveraged over \$5,570,000 through GDA-type alliances with a wide variety of NGOs and faith-based organizations to provide substantial contributions for the private sector for housing contributions and credit subsidies.

In related activities, lobbying efforts supported by USAID continued to keep the issue of constitutionally mandated transfer of resources to municipalities at the forefront of GOH decentralization discussions; however progress in this area remains slow and few of the centrally managed resources have actually been transferred to municipalities.

USAID organized a weeklong retreat of 82 mayoral candidates (the top two competitors from 41 municipalities) in Arizona where they visited four small municipalities to learn from examples of democratic processes being implemented at the local level. This activity provided a superb forum for the candidates to learn about local government processes in the United States, as well as to exchange ideas and strategies amongst each other. One illustration of how this learning has been applied is that council meetings in certain municipalities have been rescheduled to allow for greater citizen participation based on the examples seen in Arizona.

At the national level, USAID financed the Association of Honduran Municipalities (AMHON) to organize one of the few presidential debates to include both major party candidates. Because the event was

coordinated by AMHON, many of the issues debated addressed decentralization and municipal autonomy. This served to underscore for the candidates the importance of decentralization and municipal autonomy for the electorate. Decentralization has emerged as an important cornerstone of the new administration.



Table 1: Annual Report Selected Performance Measures

December 3, 2001

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives						
1	Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes X	No	N/A		
2	a. How many alliances did you implement in 2001? (list partners)				DA/CSD	<b>Education:</b> FEREMA, EDUCATODOS and the vocational education programs all have developed strong public/private partnerships/alliances. <b>Econ. Growth/Ag.:</b> FINTRAC (US grantee) established small farmer supplier buyer relations with Chestnut Hill (US firm) and Land O'Lakes facilitated dairy milk powder facility (Sula Dairy Processing) to be equipped with US technology. <b>Municipal Devl.:</b> Asociación Programa Amigos de los Niños (APAN); Nuestros Pequeños Hermanos; GOAL; HABITAT; Asociación Iglesias Evangélicas de Honduras (AIEH); Hermanos Maristas; Atlas Logistique; Comité Ayuda Mundial (CRWRC); ADRA; Catholic Relief Services (CRS); AIEH; Project Team Work; C.H.F.; Samaritan's Purse. <b>Health:</b> ASHONPLAFA (Honduran family planning NGO).
	b. How many alliances do you plan to implement in FY 2002?				DA	<b>Education:</b> USAID/H will actively encourage the expansion of partnerships for both EDUCATODOS and vocational education. In addition we will seek opportunities for partnerships in education technology and use of computers, facilitation of the vocational educational system reform, including modernizing equipment and assisting it to meet ISO standards. <b>Health:</b> USAID/H will explore the development of "AIDS in the Work-Place" programs in U.S. and Honduran-owned industrial plants. <b>Econ Growth/Ag.:</b> SO 1 anticipates developing five alliances in FY02. <b>Municipal Devl.:</b> DCA Loan portfolio guarantee; number of alliances still undetermined, will depend on number of loans to municipalities.
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	TOTAL: \$18,213,132 Ed.: FEREMA - \$400,000; CADERH (local NGO support) - \$4,732,000; Volunteer Facilitators - \$709,202. Econ Growth/AG.: Chestnut Hill - \$800,000; Sula Dairy - \$5 million. Municipal Devl.: All counterpart alliances - \$5,571,930. Health: ASHONPLAFA - over \$1 million.			DA	Data provided by private firms and partners.

Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.						
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed X	Met X	Not Met	DA	Impact data are verified from multiple data sources
USAID Objective 1: Critical, private markets expanded and strengthened						
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA	The information comes directly from beneficiaries.
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged						
6	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA	Agriculture diversification is contributing to improving income and food security.
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable						
7	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA	Agriculture diversification is contributing to greater opportunities for the rural.
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded						
8	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA & CSD	Data is from program reporting systems.
9	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual)	Male 208,742	Female 210,517	Total 419,259	DA & CSD	Data is based on the calendar school year
	b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	233,756	234,758	468,514	DA & CSD	Data comes from program reporting systems.
USAID Objective 5: World's environment protected						
10	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA	
11	a. Hectares under Approved Management Plans (2001 actual)	201,447 Ha.			DA	Information provided by Mission partners: NGO Fundacion VIDA and GOH Dept of Protected Areas.
	b. Hectares under Approved Management Plans (2002 target)	215,000 Ha.			DA	
Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.						
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed X	Met	Not Met	POP & CSD	2001 National Epidemiological/Family Health Survey

<b>USAID Objective 1: Reducing the number of unintended pregnancies</b>						
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>POP</b>	2001 National Epidemiological/Family Health Survey
<b>USAID Objective 2: Reducing infant and child mortality</b>						
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>POP &amp; CSD</b>	2001 National Epidemiological/Family Health Survey
<b>USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>						
15	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>POP &amp; CSD</b>	2001 National Epidemiological/Family Health Survey
<b>USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries</b>						
16	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>AIDS</b>	2001 National Epidemiological/Family Health Survey
<b>USAID Objective 5: Reducing the threat of infectious diseases of major public health importance</b>						
17	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>ID &amp; CSD</b>	2001 National Epidemiological/Family Health Survey
<b>Pillar IV: Democracy, Conflict and Humanitarian Assistance</b>						
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed <b>X</b>	Met	Not Met	<b>DA &amp; ESF</b>	
<b>USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened</b>						
19	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>DA &amp; ESF</b>	Based on CPC implementation [justice-sector interinstitutional coordination] on new criminal procedures carried out by the Court's Jusicial school; and access to justice resolution timeframes, efficiencies, and costs.
<b>USAID Objective 2: Credible and competitive political processes encouraged</b>						
20	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes <b>X</b>	No	N/A	<b>DA</b>	USAID support for election observation helped ensure open, transparent, and fair democratic elections.

USAID Objective 3: The development of politically active civil society promoted						
21	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA & ESF	Data from program reporting system and through USAID-supported activities of a coalition of five inter-sectoral organizations which generated public pressure for passage and subsequent ratification of the new constitutional amendment for an independent judiciary and secondary legislation, including a law requiring board nomination of Supreme Court magistrates and promotion of CPC-related issues.
USAID Objective 4: More transparent and accountable government institutions encouraged						
22	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	DA & ESF	A trial-court reorganization model implemented; Criminal case-tracking statistical systems deployed at selected pilot courts; a criminal case-purging program to reduce judicial delays [to date 19% (29,379) of all open court cases were dismissed, thus ridding the system of a significant case backlog.
USAID Objective 5: Conflict						
23	Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
24	Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
25	Number of refugees and internally displaced persons assisted by USAID	Male	Female	N/A X		
USAID Objective 6: Humanitarian assistance following natural or other disasters						
26	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	OFDA	<b>Note:</b> Significant results were also achieved in Humanitarian Assistance un the \$293 million Hurricane Reconstruction Program Special Objective -- see Close-out Report for details (sep. annex)
27	Number of beneficiaries	<b>Total: 93,665</b> <b>Michelle:</b> Total beneficiaries: 12,733 families or 63,665 people (w/o counting logistical/transportation support), <b>Drought response:</b> Beneficiary families 5,653, or approximately 30,000 people.			OFDA	<b>Drought response:</b> Pan-American Agriculture School "Zamarano" (\$175,000) <b>Tropical Storm Michelle (\$160,000):</b> - COPECO for transportation (fuel) and logistical support of emergency supplies to the North Coast and La Mosquitia - American Red Cross (working with Honduran Red Cross): beneficiaries: 12,631 families or 63,155 beneficiaries - World Vision: beneficiaries 30 families or 150 individuals - Proyecto Aldea Global: 72 families or 360 beneficiaries. OFDA also supplied 100 rolls of plastic sheeting (value of \$35,000)

**Table 2: Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Child Survival Report						
Global Health Objective 1: Reducing the number of unintended pregnancies						
1	Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	50%			POP	2001 National Epidemiological/Family Health Survey
Global Health Objective 2: Reducing infant and child mortality						
2	Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total 85	CSH	Data for children 12-23 months (>90%+ from 2001 DHS)
3	Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total 30	CSH	2001 NEFH Survey (DHS)
4	Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total 30	CSH	2001 NEFH Survey (DHS)
5	Were there any confirmed cases of wild-strain polio transmission in your country?	NO				GOH reporting
Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth						
6	Percentage of births attended by medically-trained personnel (DHS/RHS)	62			POP & CSH	2001 NEFH Survey (DHS)
Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance						
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual)	N/A				
	b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)	N/A				
8	a. Proportion of districts implementing the DOTS Tuberculosis strategy (2001 actual)	90%+				All health regions have received training and supplies
	b. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 target)					

## HIV/AIDS Report

### Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

9	a. Total condom sales (2001 actual)	6 million			POP & AIDS	Estimated from social marketing program data
	b. Total condom sales (2002 target)	7 million			POP & AIDS	Estimated from social marketing program data
10	a. Number of individuals treated in STI programs (2001 actual)	Male	Female	Total N/A		
	b. Number of individuals treated in STI programs (2002 target)			N/A		
11	a. Is your operating unit supporting an MTCT program?	YES			AIDS	With UNICEF and MOH, USAID provides rapid HIV tests
	b. Will your operating unit start an MTCT program in 2002?					
12	a. Number of individuals reached by community and home based care programs (2001 actual)	Male	Female	Total N/A	N/A	
	b. Number of individuals reached by community and home based care programs (2002 target)				N/A	
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male	Female	Total N/A	N/A	
	b. Number of orphans and vulnerable children reached (2002 target)				N/A	
14	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male	Female	Total N/A	N/A	
	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)				N/A	

Victims of Torture Report						
Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture						
15	Did you provide support to torture survivors this year, even as part of a larger effort?	N/A				
16	Number of beneficiaries (adults age 15 and over)	Male	Female	Total		
17	Number of beneficiaries (children under age 15)	Male	Female	Total		

Global Climate Change			
USAID Objective 5: World's environment protected			
18	Global Climate Change: See GCC Appendix		

**Annual Report 2002 Information Annex Topic:  
Results Framework.  
Listing of USAID/Honduras' Current Results Framework**

**SO 522-001: Economic Reactivation Meeting the Needs of the Poor**

- IR1.1: Improved Policy Environment Conducive to Poverty Reduction through Economic Growth
  - IR1.1.1: Consolidated and Improved Economic Policies to Alleviate Poverty
  - IR1.1.2: Expanded Culture of Open Markets and Entrepreneurship
- IR1.2: Improved Market Access and Competitiveness by the Poor
  - IR1.2.1: Expanded Business and Financial Services to Micro and Small Businesses
  - IR1.2.2: Expanded Agricultural Extension and Financial Services to Agricultural Producers

**SO 522-002: Improved Management of Watersheds, Forests, and Protected Areas**

- IR2.1: Improved Management of Protected Areas
- IR2.2: Improved Execution of Proper Forest Management Practices

**SO 522-003: Sustainable Improvements in Family Health**

- IR3.1: Increased Use of Quality Reproductive Health Services, including Family Planning
- IR3.2: Sustained Use of Child Survival Services through Health Reform
- IR3.3: Increased Use of STI/AIDS Prevention Practices
- IR3.4: Increased Use of Malaria, Dengue, TB Prevention and Control Services
- IR3.5: Improved Household Food Security in Title II Target Areas

**SO 522-004: Strengthened Rule of Law and Respect for Human Rights**

- IR4.1: New Criminal Procedures Code Effectively Implemented
- IR4.2: Independent, Apolitical and Effective Judiciary
- IR4.3: Independent, Apolitical and Effective Public Ministry
- IR4.4: Broader, More Effective Civil Society Participation in Justice Sector Reforms and Monitoring

**SO 522-006: Improved Opportunity to Obtain Basic Education and Vocational Skills**

- IR6.1: More Hondurans Completing Quality Primary Education
- IR6.2: More Hondurans Completing Quality Middle School Programs
- IR6.3: More Hondurans Acquiring Marketable Skills for Employment

**SO 522-007: More Responsive and Effective Municipal Government**

- IR7.1: Strengthened Municipal Government
  - IR7.1.1: Improved Municipal Administration
  - IR7.1.2: Restored Municipal Financial Health and Increased Income
  - IR7.1.3: Sustainable Municipal Finance
- IR7.2: Improved Citizen Participation in Local Government
- IR7.3: Improved Coverage of Basic Services and Rehabilitation of Damaged Municipal Infrastructure



## **Annual Report Part VII: Environmental Compliance**

### 22 CFR 216 Reviews

#### **IEEs**

1. Effective and Sustainable Water Management (MESA). ETD was a negative determination, in LAC-IEE-01-46.

#### **EAs**

None.

#### **On-Going Environmental Monitoring**

1. RECAP/Rural Road Reconstruction – A local consulting firm, CEAH, has been carrying out continuous monitoring of environmental compliance for every stretch of road being rebuilt. Corrective measures have been implemented to mitigate negative impacts found.
2. Urban Water and Sanitation – GOH partner FHIS and contractor CEAH submit for MEO concurrence an environmental site review for each project. FHIS monitors environmental compliance. There was initial disagreement with the GOH Ministry of Environment on the site selection of selected sewage treatment ponds, but agreement was reached.
3. Honduran Environmental Protection Fund – Partner Fundación VIDA submits for MEO concurrence an environmental site review of each sub-granted project, and VIDA staff are monitoring compliance through regular field visits.
4. Rural Water Systems – Mission Officer makes regular field visits to monitor GOH partner SANAA's compliance with environmental impact checklist for each new or repaired water system.
5. Upper Watershed Rehabilitation – Institutional Contractor DAI monitors compliance with environmentally-sound conservation practices by Grantees and communicates regularly with MEO.
6. REACT/Crop Production – Partners FHIA and Fintrac, Inc. are monitoring farmers' application of integrated pest management and safe use of pesticides. No pesticides are being purchased using Mission funds. Mission Officer is providing follow-up monitoring.
7. Housing Construction – Partners CHF and Samaritan's Purse submit for MEO concurrence an environmental site review for each project. Mission housing officer is monitoring compliance, and partners have submitted written reports detailing corrective actions taken on deficiencies, such as construction on steep slopes and delayed provision of basic services.
8. River Basins/Flood Protection Infrastructure – US Army Corps of Engineers (USACE) has complied with proposed environmental mitigation measures on all construction. A non-PSC Mission contractor is continually monitoring the work.
9. BEST/Construction of Vocational Centers and School Reconstruction – Partner DevTech Systems Inc. submits for MEO concurrence an environmental site review for each Vocational Center. Similarly, for rural school reconstruction, partner FHIS submits for MEO concurrence a

site review for each new site. Mission education officers are monitoring compliance through field visits.

10. Health/Medical Wastes – Mission health officers are monitoring measures taken by partner hospitals and health centers for adequate medical waste disposal, including provision of incinerators.
11. NGO Cross-Cutting Activity – Partners Save the Children and Planning Assistance submit for MEO concurrence an environmental site review for each housing and sanitation project. Mission staff are continually monitoring compliance.
12. P.L. 480 Food Aid – Partner Catholic Relief Services (CRS) submits for MEO concurrence an environmental site review for each housing and sanitation project. Partner CARE submits for MEO concurrence annual progress reports on environmental compliance under their roads and agricultural program.